

C/007/042 Incoming

Sunnyside Cogeneration Associates

P.O. Box 10, East Carbon, Utah 84520 • (435) 888-4476 • Fax (435) 888-2538

January 29, 2013

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DIV. OF OIL, GAS & MINING

Daron Haddock Utah Division of Oil, Gas & Mining 1594 W. North Temple, Suite 1210 Salt Lake City, Utah 84116

RE: 4th Quarter 2012 Inspection Report Star Point Refuse Pile C/007/042

Dear Daron:

Please find enclosed a copy of the Fourth Quarter 2012 Inspection Report for the Star Point refuse pile, impoundments, and excess spoil area.

Should you have any questions, please contact Rusty Netz or myself at $(435)\,888-4476$.

Thank You,

Richard Carter

Agent For

Sunnyside Cogeneration Associates

c.c. Rusty Netz Plant File

GENERAL INFORMATION

Sediment Pond 005

Report Date

January 14, 2013

Permit Number

C/007/042

Mine Name

Star Point Waste Fuel

Company Name

Sunnyside Cogeneration Associates

IMPOUNDMENT IDENTIFICATION

Impoundment Name

Sediment Pond 005

Impoundment Number

005

UPDES Permit Number

UTG040025

MSHA ID Number

<u>N/A</u>

IMPOUNDMENT INSPECTION

Inspection Date

December 17, 2012

Inspected by

Rusty Netz

Reason for Inspection

Fourth Quarter Inspection 2012

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.

None

a. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.

Total Pond Volume = 6.96 Acre-feet

Pond bottom elevation = 7387.3

100% Sediment Storage Volume = 2.42 acre-feet at Elevation 7394.9

60% sediment Storage Volume = 1.45 acre feet at Elevation = 7393

Existing Average Sediment Elevation = 7392 +/-

b. Principle and emergency spillway elevations.

Primary Dewatering Orifice = 7394.9

Emergency Spillway Elevation = 7401.3

2. Field Information

Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

Pond had some snow cover. No samples were taken

Sediment levels were reasonably low. Pond did not require decanting.

Embankment conditions were good. Vegetation on outslopes was adequate.

Inlet / Outlet conditions were good. No structural or hazardous conditions were observed.

Sediment Pond 005

3. Field Evaluation.

Describe any changes in the geometry of the impounding structure, average and maximum depths and elevation of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period

No recent changes in the geometry of the structure have been observed Depth of impounded water was 0

Sediment level was good.

No other aspects were observed to affect stability or functionality.

QUALIFICATION STATEMENT:

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved designs and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections are made by myself and include any appearances of instability, structural weakness or other hazardous condition of the structure affecting stability.

Signature:

CERTIFIED REPORT
IMPOUNDMENT EVALUATION

If you answer NO to these questions, please explain under comments

1. Is impoundment designed and constructed in accordance with the approved plan?

2. Is impoundment free of instability, structural weakness, or any other hazardous conditions?

3. Has the impoundment met all applicable performance standards and effluent limitations

from the previous date of inspection?

YES

COMMENTS/ OTHER INFORMATION

None

CERTIFICATION STATEMENT:

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved designs and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.

By: S. Scott Carlson, PE, Twin Peaks, P.C.

P.E. Number & State: 187727 UTAH

GENERAL INFORMATION

Sediment Pond 006

Report Date

January 14, 2013

Permit Number

C/007/042

Mine Name

Star Point Waste Fuel

Company Name

Sunnyside Cogeneration Associates

IMPOUNDMENT IDENTIFICATION

Impoundment Name

Sediment Pond 006

Impoundment Number

006

UPDES Permit Number

UTG040025

MSHA ID Number

N/A

IMPOUNDMENT INSPECTION

Inspection Date

December 17, 2012

Inspected by

Rusty Netz

Reason for Inspection

Fourth Quarter Inspection 2012

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.

None

a. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.

Total Pond Volume = 2.6 Acre-feet

Pond bottom elevation = 7132.7

100% Sediment Storage Volume = 0.76 acre-feet at Elevation 7140.7

60% sediment Storage Volume = 0.45 acre feet at Elevation = 7138.8

Existing Average Sediment Elevation = 7135 +/-

b. Principle and emergency spillway elevations.

Primary Dewatering Orifice = 7140.7

Emergency Spillway Elevation = 7147.2

2. Field Information

Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

Pond had some snow cover. No samples were taken

Sediment levels were reasonably low. Pond did not require decanting.

Embankment conditions were good. Vegetation on outslopes was adequate.

Inlet / Outlet conditions were good. No structural or hazardous conditions were observed.

Sediment Pond 006

3. Field Evaluation.

Describe any changes in the geometry of the impounding structure, average and maximum depths and elevation of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period

No recent changes in the geometry of the structure have been observed

Depth of impounded water was 0

Sediment level was good.

No other aspects of the impounding structure were observed that could affect its stability or functionality.

QUALIFICATION STATEMENT:

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved designs and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections are made by myself and include any appearances of instability, structural weakness or other hazardous condition of the structure affecting

CERTIFIED REPORT IMPOUNDMENT EVALUATION

If you answer NO to these questions, please explain under comments

1. Is impoundment designed and constructed in accordance with the approved plan?

2. Is impoundment free of instability, structural weakness, or any other hazardous conditions?

3. Has the impoundment met all applicable performance standards and effluent limitations

from the previous date of inspection?

YES

COMMENTS/OTHER INFORMATION

None

CERTIFICATION STATEMENT:

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved designs and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections and inspection reports are made by myself dous conditions of the structure or under my direction and include any appearances of instability, structural weakness or total has affecting stability in accordance with the Utah R645 Coal Mining Rules

S. Scott Carlson, PE, Twin Peaks, P.C. By:

P.E. Number & State: 187727 UTAH

GENERAL INFORMATION

Sediment Pond 009

Report Date

January 14, 2013

Permit Number

C/007/042

Mine Name

Star Point Waste Fuel

Company Name

Sunnyside Cogeneration Associates

IMPOUNDMENT IDENTIFICATION

Impoundment Name

Sediment Pond 009

Impoundment Number

009

UPDES Permit Number

UTG040025

MSHA ID Number

N/A

IMPOUNDMENT INSPECTION

Inspection Date

December 17, 2012

Inspected by

Rusty Netz

Reason for Inspection

Fourth Quarter Inspection 2012

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.

None

a. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.

Total Pond Volume = 7.4 Acre-feet

Pond bottom elevation = 7435.0

100% Sediment Storage Volume = 2.02 acre-feet at Elevation 7439.3

60% sediment Storage Volume = 1.21 acre feet at Elevation = 7437.7

Existing Average Sediment Elevation = 7437 +/-

b. Principle and emergency spillway elevations.

Primary Dewatering Orifice = 7439.8

Primary Spillway Elevation = 7445.5

Emergency Spillway Elevation = 7446.5

2. Field Information

Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

Pond had some snow cover. No samples were taken. Pond did not require decanting. Sediment levels were reasonable.

Embankment conditions were good. Vegetation on outslopes was adequate.

Inlet / Outlet conditions were good. No structural or hazardous conditions were observed.

Sediment Pond 009

3. Field Evaluation.

Describe any changes in the geometry of the impounding structure, average and maximum depths and elevation of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period

No recent changes in the geometry of the structure have been observed

Depth of impounded water was 0

Sediment level was good.

No other aspects of the impounding structure were observed that could affect its stability or functionality.

QUALIFICATION STATEMENT:

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved designs and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections are made by myself and include any appearances of instability, structural weakness or other hazardous condition of the structure affecting

Signature:

CERTIFIED REPORT IMPOUNDMENT EVALUATION

If you answer NO to these questions, please explain under comments

1. Is impoundment designed and constructed in accordance with the approved plan?

2. Is impoundment free of instability, structural weakness, or any other hazardous conditions?

3. Has the impoundment met all applicable performance standards and effluent limitations

from the previous date of inspection?

YES

COMMENTS/ OTHER INFORMATION

None

CERTIFICATION STATEMENT:

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved designs and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardors conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.

S. Scott Carlson, PE, Twin Peaks, P.C. By:

P.E. Number & State: 187727 UTAH

GENERAL INFORMATION

Coarse Refuse Pile

Report Date

January 14, 2013

Permit Number

C/007/042

Mine Name

Star Point Waste Fuel

Company Name

Sunnyside Cogeneration Associates

EXCESS SPOIL PILE OR REFUSE PILE IDENTIFICATION

Pile Name

Coarse Refuse Pile

Pile Number

N/A

MSHA ID Number

Abandoned by MSHA Jan 2004

Inspection Date

December 17, 2012

Inspected by

Rusty Netz

Reason for Inspection

Fourth Quarter Inspection 2012

Attachment to Report? (such as refuse sample analysis or photos)

NO

Field Evaluation

1. Foundation preparation, including the removal of all organic material and topsoil.

N/A

2. Placement of underdrains and protective filter systems.

N/A

3. Installation of final surface drainage systems

N/A

4. Placement and compaction of fill materials

N/A - Activities occurring at this time are associated with removal of refuse material

5. Final grading and revegetation of fill.

N/A

6. Appearances of instability, structural weakness, and other hazardous conditions

No aspects of the Fill structure were observed that could affect its stability or functionality

Coarse Refuse Pile

7. Other comments. Describe any changes in the geometry of the Excess Spoil/Refuse Pile structure, instrumentation, average and maximum lifts of materials placed in the pile, elevations of active benches, total and remaining storage capacity of the structure, evidence of fires in the pile and abatement of such fires, volumes of materials placed in the structure during the year, and any other aspect of the structure affecting its stability or function which has occurred during the reporting period

Refuse material is actively being excavated and removed from the top of the pile

QUALIFICATION STATEMENT:

I hereby certify that; I am experienced in the construction of earth and rock fills; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of earth and rock fills in accordance with the certified and approved designs for this structure; that the fill structure has been maintained in accordance with approved design and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections are made by myself and include any appearances of instability, structural weakness or other hazardous condition of the structure affecting stability.

CERTIFICATION STATEMENT

I hereby certify that: I am experienced in the construction of earth and rock fills; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of earth and rock fills in accordance with the certified and approved designs for this structure; that the fill structure has been maintained in accordance with the approved design and meets or exceeds the minimum design requirements under all applicable federal, state, and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: S. Scott Carlson, PE, Twin Peaks, P.C.

P.E. Number & State: 187727 UTAH

Affix Signature, Stamp and Date

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GENERAL INFORMATION

Disposal Area

Report Date

January 14, 2013

Permit Number

C/007/042

Mine Name

Star Point Waste Fuel

Company Name

Sunnyside Cogeneration Associates

EXCESS SPOIL PILE OR REFUSE PILE IDENTIFICATION

Pile Name

Disposal Area

Pile Number

<u>N/A</u>

MSHA ID Number

N/A

Inspection Date

December 17, 2012

Inspected by

Rusty Netz

Reason for Inspection

Fourth Quarter Inspection 2012

Attachment to Report? (such as refuse sample analysis or photos)

NO

Field Evaluation

1. Foundation preparation, including the removal of all organic material and topsoil.

The site selected for the disposal area is the old slurry ponds associated with the prior mining activity. No topsoil is available to be removed.

2. Placement of underdrains and protective filter systems.

N/A

3. Installation of final surface drainage systems

N/A

4. Placement and compaction of fill materials

The disposal area did not receive any materials during the quarter.

5. Final grading and revegetation of fill.

N/A

6. Appearances of instability, structural weakness, and other hazardous conditions

No aspects of the Fill structure were observed that could affect its stability or functionality

Disposal Area

7. Other comments. Describe any changes in the geometry of the Excess Spoil/Refuse Pile structure, instrumentation, average and maximum lifts of materials placed in the pile, elevations of active benches, total and remaining storage capacity of the structure, evidence of fires in the pile and abatement of such fires, volumes of materials placed in the structure during the year, and any other aspect of the structure affecting its stability or function which has occurred during the reporting period

The disposal area did not receive any materials during the quarter.

OUALIFICATION STATEMENT:

I hereby certify that; I am experienced in the construction of earth and rock fills; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of earth and rock fills in accordance with the certified and approved designs for this structure; that the fill structure has been maintained in accordance with approved design and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections are made by myself and include any appearances of instability, structural weakness or other hazardous condition of the structure affecting stability.

Signature:

Date:

CERTIFICATION STATEMENT

I hereby certify that: I am experienced in the construction of earth and rock fills; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of earth and rock fills in accordance with the certified and approved designs for this structure; that the fill structure has been maintained in accordance with the approved design and meets or exceeds the minimum design requirements under all applicable federal, state, and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: S. Scott Carlson, PE, Twin Peaks, P.C.

P.E. Number & State: 187727 UTAH